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Approve

25X1A5a1

25X1A9a

February 16, 1953

25X1A

Subject: Contract No. [REDACTED]

25X1A9a

We request that Contract [REDACTED], which terminates on 8 April 1953, be extended on a no-cost basis to 31 July 1953 to permit work on reports now under way to be completed. 25X1A

Attention is directed to the fact that although this Contract was dated as of 8 March 1951, actual authority to expend funds under this Contract was not received until Jan. 1951. This delayed the initiation of work under the Contract for approximately three (3) months.

Funds remain available and unexpended under the original appropriation for this proposed no-cost extension to the date suggested, namely 31 July 1953. The [REDACTED] is willing to continue work under this Contract until either the program of research is completed or the funds are expended, whichever occurs first. 25X1A5a1

We would like for you to include in the no-cost amendment a statement that the overhead rate of 47% of salaries and wages applicable to the basic Contract is the prevailing rate to July 31, 1953. Article 14 "Alterations", page 23, (b)1, states that the rate of 47% shall apply through 31 December 1951; after that date it will be revised to conform to a new rate which will be negotiated annually between the Contractor and the Armed Services.

We negotiated a new rate early in 1952 for the years 1952 and 1953. This rate has been accepted by the Defense Department and all of its agencies. We will make an overhead cost study some time after the close of our books on June 30, 1953 for the fiscal year 1952-1953 which will be used to negotiate the overhead rate for our Contracts during the coming two-year period 1954-1955. We would appreciate your extending the date that the overhead rate in this Contract applies to so that there is no conflict with other Contracts we have with Government Agencies.

We understand that during the extension period requested above, there will be consideration of another program which might be undertaken in our [REDACTED] by essentially the same group now working on your project. 25X1A5a1
If agreement is reached as to the mutual desirability of such a program, we shall ask in our proposal that the new Contract become effective on July 15, 1953 so that there will be an overlap of approximately one-half month with the present Contract. If this is acceptable to you, it will provide us with a method of keeping our staff intact should we expend all funds under this Contract before the termination.

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SECRET
SECURITY INFORMATION

Letter to [REDACTED]

February 16, 1953

date of the no-cost extension we have requested, or 31 July 1953.

We shall expect to receive a supplement to this Contract at an early date so that there will be no break in continuity of the program which under the present Contract terminates 6 April 1953.

Yours very truly,

25X1A5a1

[REDACTED]
Assistant Director

TET/ha

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401 [REDACTED]